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1056  
5 October 1956

MEMORANDUM FOR: Acting Deputy Director (Support)

SUBJECT : CIA Legislative Proposals - 85th Congress PUBLIC

REFERENCE : Memorandum 20 September 1956 to Comptroller from  
DD/S, same subject

This Office is in agreement with the comments and recommendations contained in referenced memorandum dated 20 September 1956. We believe, however, that there are provisions contained in Public Law 885, 84th Congress (providing basic authority for the Department of State) which might also be included in similar fashion in CIA Legislation and which would be of benefit to CIA.

Section 7 of Public Law 885, 84th Congress, provides as follows: "The exchange allowances or proceeds derived from the exchange or sale of passenger motor vehicles in possession of the Foreign Service abroad, in accordance with section 201 (c) of the Act of June 30, 1949 (40 U.S.C. 481 (c)), shall be available without fiscal year limitation for replacement of an equal number of such vehicles." We believe similar language should be adopted in CIA Legislation. At the present time, current regulations provide that the proceeds of sales of personal property will be available during the fiscal year in which the sale is made and for one fiscal year thereafter for obligation for the purchase of similar replacement items of personal property. This limitation was established by the Comptroller General rather than by law. We believe that we could benefit from the above proposed provision in that at the time a station is closed, motor vehicles could be sold, the proceeds retained with the Agency without limitation, and then used for the purchase of vehicles at a later date as the need arises. In many instances, transportation costs would be eliminated in shipping a vehicle from the station being closed.

Section 9, Public Law 885, 84th Congress, provides as follows: "The Secretary of State is authorized to enter into contracts in foreign countries involving expenditures from funds appropriated or otherwise made available to the Department of State, without regard to the provisions of section 3741 of the Revised Statutes (41 U.S.C. 22): Provided, That nothing in this section shall be construed to waive the provisions of section 431 of title 18 of the United States Code." We believe that substantially the same language should be included in CIA Legislation for the same reason that we understand the State Department obtained such legislation and thereby obtain exemption from provisions of section 3741 of the Revised Statutes (41 U.S.C. 22) which states in part:

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"In every contract or agreement to be made or entered into or accepted by or on behalf of the United States, there shall be inserted an express condition that no member of or delegate to Congress shall be admitted to any share or part of such contract or agreement or to any benefit to arise there upon . . . ." It is our understanding that the State Department felt that the inclusion of such contract negotiations in foreign countries involved a reflection on the Government of the United States and they, therefore, proposed and obtained the exemption contained in section 9, Public Law 885.

Section 11, Public Law 885, 84th Congress, provides as follows: "Notwithstanding the provisions of section 16 (a) of the Act of August 2, 1956 (5 U.S.C. 78 (c)), the Secretary of State may authorize any chief of diplomatic mission to approve the use of Government-owned vehicles in any foreign country for transportation of United States Government employees from their residence to the office and return when public transportation facilities are unsafe or are not available." It is believed that the portion of section 10a1, Public Law 110, pertaining to transportation of children of Agency personnel to and from school could be improved by adopting similar wording to that included in section 11, Public Law 885. It is therefore recommended that the wording be changed as follows: "and transportation in such equipment, to and from school, of children of Agency personnel who have quarters for themselves and their families at isolated stations outside the continental United States where adequate public or private transportation is not available or is unsafe."

In addition, it is our recommendation that at the 10 October DB/S Staff Meeting there be included in discussions the advisability of attempting to revise CIA Legislation to provide that all CIA appropriations regardless of from what source received will be classed as "no year funds." We should also at the 10 October meeting like to further discuss "converted per diem" and whether we should reconsider inclusion of legislation with respect thereto.

  
Acting Comptroller

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STANDARD FORM NO. 64

Approved For Release 2003/05/05 : CIA-RDP80-01372R000400030009-6

25X1 TO : Acting Comptroller

DATE: 20 September 1956

**FROM :**

SUBJECT: CIA Legislative Proposals in 85th Congress

References : a. Copy of Memorandum dtd 14 August 1956 for Deputy Director (Support) from Legislative Counsel  
b. Public Law 885, 84th Congress providing basic authority for the Department of State

1. Reference documents have been reviewed. The following items, similar to provisions included in Public Law 885, are recommended for consideration in connection with CIA proposals in the 85th Congress:

a. The exchange allowances or proceeds derived from the exchange or sale of passenger motor vehicles in possession of Central Intelligence abroad, in accordance with section 201 (c) of the Act of June 30, 1949 (40 U.S.C. 481 (c)), shall be available without fiscal year limitation for replacement of an equal number of such vehicles.

**Comments:**

Current regulations provide that proceeds of sales of personal property will be available during the fiscal year in which the sale is made and for one fiscal year thereafter for obligation for the purchase of similar replacement items of personal property. The time limit was set by the Comptroller General rather than established by law.

At the time a station is closed, motor vehicles could be sold, the proceeds retained by the Agency without fiscal year limitation, and then used for the purchase of vehicles at a later date as the need arises. In many instances, transportation costs would be eliminated in shipping a vehicle from the station being closed.

b. The Director of Central Intelligence is authorized to enter into contracts in foreign countries involving expenditures from funds (appropriated or otherwise) made available to the Central Intelligence Agency, without regard to the provisions of section 3741 of the Revised Statutes (41 U.S.C. 22): Provided, that nothing in this section shall be construed to waive the provisions of section 431 of title 18 of the United States Code.

Comments:

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C The Chief, Claims Branch, advised that some of the [redacted] Contracts include this provision whereas contracts from other locations do not.

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The Department of State proposed this exemption on the basis that the inclusion of such a clause in contracts negotiated in foreign countries involved a reflection on the Government of the United States.

c. Subject to policies established by the Director, transportation of officers and employees of the Agency in Government-owned automotive equipment between their domiciles and places of employment, where such personnel are engaged in work which makes such transportation necessary, and transportation in such equipment, to and from school, of children of Agency personnel who have quarters for themselves and their families at isolated stations outside the Continental United States where adequate public or private transportation facilities are unsafe or are not available.

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Comments:

This provision is a modification of an existing authority included in Public Law 110. The underlined words "isolated" and "adequate" would be eliminated whereas the words "facilities" and "unsafe" would be added. The addition of the word "unsafe" would provide the Agency with the same authority granted to the Department of State in section 11 of Public Law 885.

d. Under such regulations as the Director may prescribe, whenever he considers that it is in the interest of the Government to do so, pay travel expenses without regard to the Standardized Governmental Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, as amended, (5 U.S.C. 835-842).

Comments:

The Department of State requested this authority to cover travel expenses for participants at international conferences on the basis that conferences are frequently held in resort areas where expenses are greater than the rates allowed by existing regulations. The intent of such a provision is similar to the proposal for "Commuted Per Diem" that was included early this year in our first drafts of proposed legislation but eliminated after discussions with the Bureau of the Budget.

Section 10 (b) of Public Law 110, The Central Intelligence Agency Act of 1949, reads in part:

"The sums made available to the Agency may be expended without regard to the provisions of law and regulations relating to the expenditure of Government funds; . . . ."

It is my opinion that this provision is sufficient authority for the Agency to pay such travel expenses.

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Paragraph 3.c. of the memorandum dated 14 August 1956 from Legislative Counsel reads "The Budget Bureau argued that administrative measures under existing law could achieve the purposes of this language." It is recommended that proposed Agency Regulations be written and submitted to the Comptroller General for a decision.

e. Payment for allowances granted under the provisions of section 5 of this act may be made in advance.

Comments:

A similar authority for the Department of State was included in section 14, Public Law 885. Section 4 of H.R. 10682 and S. 3851 proposed the addition of a new subsection which would grant authority to make payments without regard to section 3648 of the Revised Statutes (31 U.S.C. 529) when made in compliance with the laws of foreign countries or their ministerial regulations, and for rent in foreign countries for such period as may be necessary to accord with local custom. The enactment of the subsection as written in H.R. 10682 and in S. 3851 should be ample authority to make payments for allowances in advances.

2. Section 13 of Public Law 885 provides that allowances granted under section 901 (1) of the Foreign Service Act of 1946 (22 U.S.C. 1131 (1)), may include water, in addition to the utilities specified. Under Public Law 110, the Director is authorized to grant allowances in accordance with the provisions of section 901 (1) and 901 (2) of the Foreign Service Act. I believe it was the intent of Congress to extend to the Central Intelligence Agency all authorities in section 901 (1) and 901 (2) of the Foreign Service Act in effect at the time Public Law 110 was approved and as amended in the future.

3. Comments on some of the subjects discussed in memorandum from the Legislative Counsel are as follows:

a. Allowances. I have ordered copies of S. 4186 and H.R. 12194 for review and comparison with CIA proposals in S. 3851 and H.R. 10682.

b. Medical Benefits. I have ordered copies of H.R. 12193 for review and comparison with CIA proposals in S. 3851 and H.R. 10682.

c. Retired Military Officers. It may be possible that the services of additional retired officers could be obtained if their services could be utilized on an "Active Duty" basis. The Agency would request the services of the retired officer, advising the Department that an Active Duty status was required. Reimbursement would be made to the Department.

d. Retirement. It is recommended that the Agency attempt to secure retirement provisions for employees serving overseas that are comparable to those for Foreign Service Personnel. The Senate Committee on Foreign Relations, in reporting on S. 3638, approved the USIA retirement proposals since one of the objectives would reduce possible friction and dissatisfaction among United States personnel abroad arising from the existence of different personnel systems. In addition, special retirement provisions should be extended to Agency personnel who are required to perform hazardous duties over a period of years.

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MEMORANDUM FOR: General Counsel  
 Comptroller  
 Director of Communications  
 Director of Logistics  
 Director of Personnel  
 Director of Security  
 Director of Training  
 Chief, Audit Staff  
 Chief, Commercial Staff  
 Chief, Management Staff  
 Chief, Medical Staff  
 Special Support Assistant to the DD/S  
 Chief, Project Administrative Planning Staff  
 Special Planning Assistant to the DD/S

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SUBJECT : CIA Legislative Proposals - 85th Congress  
 REFERENCE : Memo dtd 14 Aug 56 to DD/S fr Legislative Counsel, same subject

1. Attached is a copy of referenced memorandum from Mr. Norman S. Paul, Legislative Counsel, outlining several legislative proposals in which the Agency was interested during the last session of Congress. In the final paragraph of Mr. Paul's memorandum he recommends that we re-examine the adequacy of the legislative proposals and then hold a meeting to determine what action should be taken in the 85th Congress during 1957.

2. I would like to devote the 10 October DD/S Staff Meeting to this matter and, therefore, request that all offices having an interest in any legislation previously proposed or any new proposals, be prepared to report such proposals at this meeting. As an aid to Mr. Paul, as well as others, it is requested that offices having concrete proposals to make submit them to this office in brief summary form on or before 5 October for distribution prior to the the 10 October meeting.

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H. GATES LLOYD  
 Acting Deputy Director  
 (Support)

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Attachment